

## STARKE COUNTY TRENDING – 2007 pay 2008

The Annual Adjustment Ratio Study for 2007 pay 2008 was completed on September 28, 2007.

All classes of properties were trended using the Sales Comparison Method. All 2005 and 2006 sales that were determined to be valid arms-length transactions were utilized. In a few neighborhoods which lacked an acceptable sampling, sales from 2004 and/or 2007 were utilized after the application of a 4% *per year* time adjustment.

All neighborhood delineations remained the same as 2006. There were no new neighborhoods added. There are 70 Residential & 13 Commercial/Industrial neighborhoods in Starke County

The sales ratio study was used to derive a land update factor and an improvement update factor for each neighborhood.

Because a direct application of the land update factors would conflict with existing land influence factors, as utilized in the CAMA system, these update factors were used to update the Land Base Rates. To ensure consistency a 1% rate rounding rule was used. (see *table below*)

### 1% LAND BASE RATE ROUNDING RULE

| within rate range | round to      |
|-------------------|---------------|
| 0-500             | NEAREST 5     |
| 501-1000          | NEAREST 10    |
| 1001-2500         | NEAREST 25    |
| 2501-5000         | NEAREST 50    |
| 5,001-10,000      | NEAREST 100   |
| 10,001-25,000     | NEAREST 250   |
| 25,001-50,000     | NEAREST 500   |
| 50,001-100,000    | NEAREST 1,000 |
| 100,001-250,000   | NEAREST 2,500 |
| 250,001-500,000   | NEAREST 5,000 |

The improvement update factors for each neighborhood were multiplied by the existing Neighborhood (Improvement) Factors (rounded to nearest whole percentage point) creating the updated Neighborhood Factors.

The ratio study was generated from a Manatron database file which extracts and compiles the data by township from sales ratio reports created by the ProVal CAMA system. When considering Commercial & Industrial properties, we combined neighborhoods across townships.

Note that Starke County is primarily rural and has only 676 *Improved* Commercial & Industrial parcels, with two-thirds of those parcels concentrated in Center & Wayne townships. Although we have delineated 13 Commercial neighborhoods we have considered them as one for the purpose of 2007 pay 2008 trending as the analysis of sales does not show a significant difference between the areas.

The 21 Improved Commercial & Industrial sales represent 28 parcels which meets the 3% sampling rate which the IAAO suggests for confidence in a sales ratio study.

The chart below shows an overview of the changes in assessed value for Residential as well as Commercial and Industrial Parcels. These figures were derived from the original value abstract and may not include a very small number of corrections made after running year-end reports and reconciling with the Auditor's office data. Countywide the total Residential valuation increased 2.76% for 2007 pay 2008 from the previous year.

#### CHANGES IN ASSESSED VALUE BY PARCEL (2007 pay 2008 TRENDING)

| Total Assessed Value Percent change | Residential class parcels |                     | Commercial & Industrial class parcels |                     |
|-------------------------------------|---------------------------|---------------------|---------------------------------------|---------------------|
|                                     | number of parcels         | % of total in class | number of parcels                     | % of total in class |
| -10.01% or more                     | 164                       | 1.15%               | 3                                     | 0.30%               |
| -5.00 to -10.00%                    | 89                        | 0.63%               | 1                                     | 0.10%               |
| -0.01 to -4.99%                     | 271                       | 1.91%               | 12                                    | 1.20%               |
| No Change                           | 4640                      | 32.64%              | 352                                   | 35.34%              |
| +0.01 to +4.99%                     | 7814                      | 54.97%              | 602                                   | 60.44%              |
| +5.00 to +10.00%                    | 603                       | 4.24%               | 6                                     | 0.60%               |
| +10.01% or more                     | 635                       | 4.47%               | 20                                    | 2.01%               |
|                                     | 14216                     | 100%                | 996                                   | 100%                |

Although not used in the trending analysis, we have been tracking the median sales price of all validated residential sales disclosures in Starke County since 2004. This information provides a general indication\* of the market trends.

#### MEDIAN RESIDENTIAL SALES PRICE (number of VALIDATED SALES)

|      | ALL            | LAKEFRONT / LAKEVIEW AREAS | NEAR LAKE AREA | NON-LAKE AREAS |
|------|----------------|----------------------------|----------------|----------------|
| 2004 | \$79,900 (306) | \$249,000 (26)             | \$70,200 (48)  | \$76,400 (232) |
| 2005 | \$85,000 (327) | \$235,000 (19)             | \$67,500 (49)  | \$85,200 (259) |
| 2006 | \$85,000 (384) | \$284,750 (24)             | \$75,000 (45)  | \$84,500 (315) |

*\* A fluctuation in the median sales price, while generally indicative of market trends, does not necessarily indicate a direct corresponding change in the market value of real estate.*

*For example: A small drop in the in the median sales price may only indicate that more smaller and/or older (lower valued) homes were sold than in the previous year. Conversely, an increase in the median price could be caused by a greater number of larger and/or newer (higher valued) homes selling in the later year.*

**Rhonda R. Milner,**  
Starke County Assessor

**John Viveiros,**  
Property Systems Co.